

WALDORF, MD – U.S. Representative Steny H. Hoyer (D-MD) hosted his second Town Hall meeting in Southern Maryland yesterday evening to discuss strengthening Social Security and plans being proposed by the Bush Administration to privatize Social Security.

This is the third Town Hall meeting Congressman Hoyer has held in Maryland's Fifth Congressional District and is a continuation of an effort by House Democrats, who are holding hundreds of Town Hall meetings across the country, to provide their constituents with the facts about Social Security. Congressman Hoyer was joined by former Congresswoman Barbara B. Kennelly, President of the non-profit, non-partisan National Committee to Preserve Social Security and Medicare. Congressman Hoyer released the following statement at the Town Hall Meeting:

"President Bush has told America that Social Security has a problem and that private accounts are the solution. Democrats agree we should act to insure the solvency of Social Security. However, we believe private accounts are not a solution and, in fact, make the problem worse by adding to our already record debt and forcing a large cut in benefits.

"The Social Security Act was passed in 1935 because the federal government sought to provide basic economic security that families could rely on in times of need. Since then, Social Security has meant independence for generations of Americans. Without it, more than 50 percent of our seniors would be living in poverty. It was never envisioned to be the sole source of seniors' retirement funds, but without it, those who rely on it completely, often through no fault of their own, would have no safety net.

"The overriding view of the residents in the 5th Congressional District from whom I have heard has been unmistakable: They want the President and Congress to strengthen Social Security, not sabotage it. That is why I am here today in Waldorf to explain why the President's plan to privatize Social Security would endanger retirement benefits for millions of Americans.

"First, Social Security is not in an immediate crisis – there are long-term issues that need to be addressed, but the trust fund is strong. The program faces long-term challenges, but according to Social Security's Trustees the program is solvent and can pay full benefits until 2042, after which it would still pay more than 70 percent of benefits if no changes are made.

“Second, private accounts, as proposed by the President, won’t address Social Security’s solvency problems. In fact, private accounts will exacerbate Social Security’s fiscal challenges by diverting payroll taxes that pay benefits for current retirees. Moreover, there is no guarantee that private accounts that are susceptible to the stock market ups and downs will appreciate in value.

“Third, the President has admitted that his private accounts won’t solve the long-term solvency issues that face the trust fund. To do that, his plan would cut benefits more than 40 percent, even if you don’t sign up for a private account. And, as far as we know now, the President’s plan would apply the same cuts to future disability benefits and the benefits received by children who have lost a parent. The cut in benefits over a younger worker’s lifetime could total \$152,000.

“And finally, the President and Congressional Republicans have no plan to pay for the creation of private accounts. And, the President’s proposal would require the federal government to borrow nearly \$5 trillion over the next 20 years – much of that amount from foreign countries – and immorally force our children to pay our bills.

“In Congress, Democrats continue to explore ways to strengthen and modernize Social Security, such as investment accounts on top of Social Security that would make it easier for workers to save more and prepare for retirement. We also want to secure worker’s pension benefits and enhance and strengthen investment vehicles like 401(k)s and IRA plans, and provide clear information on retirement investment options.

“The issue of Social Security, and retirement security generally, commands a bipartisan solution. The American people expect and deserve no less. I stand ready to engage in such an effort with the President and my Republican colleagues, as soon as they heed the views of voters and put aside their privatization plan that seems designed to sabotage the program rather than strengthen it.”

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